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**DEPARTMENT OF THE NAVY
JUSTIFICATION OF ESTIMATES
FY 1991 BUDGET ESTIMATES**

AD-A219 527



SUBMITTED TO CONGRESS JANUARY 1990

PROCUREMENT

PROCUREMENT, MARINE CORPS

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DEPARTMENT OF THE NAVY
PROCUREMENT, MARINE CORPS

Justification of Estimates for FY 1991

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STATEMENT "A" per Dianne Glaister
Navy Budget Office/NCBG-2
TELECON 3/21/90 VG



PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed (172) 194 passenger motor vehicles for replacement only; and expansion of public and private plants; including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; (\$1,213,334,000) \$782,100,000, to remain available for obligation until September 30, (1992) 1993 of which \$35,000,000 shall be available only for the Marine Corps Reserve.

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)				Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Ammunition	259,737	249,201	284,681	279,597	225,538	289,566
00.0201	Weapons and combat vehicles	220,283	398,995	45,454	179,690	366,997	90,763
00.0301	Guided missiles and equipment	338,133	11,055	16,255	324,714	19,453	18,341
00.0401	Communications and electronics equipment	268,539	249,564	218,667	278,274	285,334	228,109
00.0501	Support vehicles	27,763	22,551	34,127	21,264	43,623	32,464
00.0601	Engineer and other equipment	120,839	81,929	112,514	128,663	103,236	110,439
00.0701	Spare and repair parts	56,546	61,889	70,402	61,908	54,005	65,195
00.9101	Total direct program	1,291,840	1,075,184	782,100	1,274,110	1,098,186	834,877
01.0101	Reimbursable program	10,925	5,000	5,000	10,201	13,038	5,000
10.0001	Total	1,302,765	1,080,184	787,100	1,284,311	1,111,224	839,877
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-10,925	-5,000	-5,000	-10,482	-5,000	-5,000
13.0001	Trust funds(-)				-23		
14.0001	Non-Federal sources(-)				-280		
17.0001	Recovery of prior year obligations				-18,300		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans				-219,083	-253,421	-222,381
21.4003	Available to finance new budget plans	-1,500			-1,500		
21.4009	Reprogramming from/to prior year budget plan	-2,277			3,700		
22.4001	Unobligated balance transferred to other accounts	3,700					
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans				253,421	222,381	169,604
25.0001	Unobligated balance lapsing	77			77		
39.0001	Budget authority	1,291,840	1,075,184	782,100	1,291,840	1,075,184	782,100
Budget authority:							
40.0001	Appropriation	1,297,265	1,213,792	782,100	1,297,265	1,213,792	782,100
40.0004	Reduction pursuant to P.L. 100-463	-425			-425		
40.0005	Reduction pursuant to P.L. 101-165		-458			-458	
41.0001	Transferred to other accounts(-)	-5,000	-138,150		-5,000	-138,150	
43.0001	Appropriation (adjusted)	1,291,840	1,075,184	782,100	1,291,840	1,075,184	782,100

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	1989 actual	1990 est.	1991 est.
Relation of obligations to outlays:				
71.0001	Obligations incurred, net	1,273,526	1,106,224	834,877
72.4001	Obligated balance, start of year	2,723,975	2,633,072	2,440,596
74.4001	Obligated balance, end of year	-2,633,072	-2,440,596	-2,121,173
77.0001	Adjustments in expired accounts (net)	-5,190		
78.0001	Adjustments in unexpired accounts	-18,300		
90.0001	Outlays	1,340,939	1,298,700	1,154,300

Procurement, Marine Corps
Object Classification (in Thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	1989 actual	1990 est.	1991 est.
Direct obligations:				
126.001	Supplies and materials	405,162	368,919	394,989
131.001	Equipment	868,948	729,267	439,888
199.001	Total Direct obligations	1,274,110	1,098,186	834,877
Reimbursable obligations:				
231.001	Equipment	10,201	13,038	5,000
299.001	Total Reimbursable obligations	10,201	13,038	5,000
999.901	Total obligations	1,284,311	1,111,224	839,877

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations	
Identification code	17-1109-0-1-051	1989 actual	1990 est.	1991 est.	1990 est. 1991 est.
Program by activities:					
Direct program:					
00.0101	Ammunition			8,763	
00.0201	Weapons and combat vehicles			1,525	
00.0301	Guided missiles and equipment			59	
00.0401	Communications and electronics equipment			22,111	
00.0501	Support vehicles			3,591	
00.0601	Engineer and other equipment			10,620	
00.0701	Spares and repair parts			3,264	
00.9101	Total direct program			49,933	
01.0101	Reimbursable program			3,384	
10.0001	Total			53,317	
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)			523	
17.0001	Recovery of prior year obligations			-9,637	
21.4002	Unobligated balance available, start of year:				
21.4003	For completion of prior year budget plans			-46,479	
21.4009	Available to finance new budget plans			-1,500	
22.4001	Reprogramming from/to prior year budget plan			3,700	
25.0001	Unobligated balance transferred to other acc			77	
	Unobligated balance lapsing				
39.0001	Budget authority				

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1988

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Ammunition				17,161	845	
00.0201	Weapons and combat vehicles				1,279	2,178	
00.0301	Guided missiles and equipment				18	1	
00.0401	Communications and electronics equipment				63,048	36,218	
00.0501	Support vehicles				2,478	13,135	
00.0601	Engineer and other equipment				22,911	14,535	
00.0701	Spares and repair parts				3,222	691	
00.9101	Total direct program				110,117	67,603	
01.0101	Reimbursable program				2	3,928	
10.0001	Total				110,119	71,531	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)				-80		
13.0001	Trust funds(-)				-23		
14.0001	Non-Federal sources(-)				-280		
17.0001	Recovery of prior year obligations				-8,663		
21.4002	Unobligated balance available, start of year:						
	For completion of prior year budget plans				-172,604	-71,531	
24.4002	Unobligated balance available, end of year:						
	For completion of prior year budget plans				71,531		
39.0001	Budget authority						

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1989

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Ammunition	259,137			253,673	5,000	1,064
00.0201	Weapons and combat vehicles	220,183			176,886	6,245	37,152
00.0301	Guided missiles and equipment	338,133			324,637	10,000	3,496
00.0401	Communications and electronics equipment	268,539			193,115	54,487	20,937
00.0501	Support vehicles	27,763			15,195	11,207	1,361
00.0601	Engineer and other equipment	120,839			95,132	18,562	7,145
00.0701	Spares and repair parts	56,546			55,422	1,124	
00.9101	Total direct program	1,291,840			1,114,060	106,625	71,155
01.0101	Reimbursable program	10,925			6,815	4,110	
10.0001	Total	1,302,765			1,120,875	110,735	71,155
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-10,925			-10,925		
21.4002	Unobligated balance available, start of year:						
	For completion of prior year budget plans					-181,890	-71,155
24.4002	Unobligated balance available, end of year:						
	For completion of prior year budget plans				181,890	71,155	
39.0001	Budget authority	1,291,840			1,291,840		
Budget authority:							
40.0001	Appropriation	1,297,265			1,297,265		
40.0004	Reduction pursuant to P.L. 100-463	-425			-425		
41.0001	Transferred to other accounts(-)	-5,000			-5,000		
43.0001	Appropriation (adjusted)	1,291,840			1,291,840		

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Ammunition		249,201		219,693	19,510	
00.0201	Weapons and combat vehicles		398,995		358,574	20,450	
00.0301	Guided missiles and equipment		11,055		9,452	940	
00.0401	Communications and electronics equipment		249,564		194,629	36,349	
00.0501	Support vehicles		22,551		19,281	1,917	
00.0601	Engineer and other equipment		81,929		70,139	6,964	
00.0701	Spares and repair parts		61,889		52,190	5,686	
00.9101	Total direct program		1,075,184		923,958	91,816	
01.0101	Reimbursable program		5,000		5,000		
10.0001	Total		1,080,184		928,958	91,816	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-5,000		-5,000		
21.4002	Unobligated balance available, start of year: For completion of prior year budget plans					-151,226	
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				151,226	59,410	
39.0001	Budget authority		1,075,184		1,075,184		
Budget authority:							
40.0001	Appropriation		1,213,792		1,213,792		
40.0005	Reduction pursuant to P.L. 101-165		-458		-458		
41.0001	Transferred to other accounts(-)		-138,150		-138,150		
43.0001	Appropriation (adjusted)		1,075,184		1,075,184		

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Ammunition			284,681		268,992	
00.0201	Weapons and combat vehicles			45,454		33,161	
00.0301	Guided missiles and equipment			16,255		13,905	
00.0401	Communications and electronics equipment			218,667		170,823	
00.0501	Support vehicles			34,127		29,186	
00.0601	Engineer and other equipment			112,514		96,330	
00.0701	Spares and repair parts			70,402		59,509	
00.9101	Total direct program			782,100		671,906	
01.0101	Reimbursable program			5,000		5,000	
10.0001	Total			787,100		676,906	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)			-5,000		-5,000	
24.4002	Unobligated balance available, end of year:						
	For completion of prior year budget plans					110,194	
10.0001	Budget authority (Appropriation)			782,100		782,100	

SUMMARY OF REQUIREMENTS
(In Thousands of Dollars)

Ammunition	FY1989 Actual 259,737	FY1990 Estimate 249,201	FY1991 Estimate 284,681
Weapons and Combat Vehicles	220,283	398,995	45,454
Guided Missiles and Equipment	338,133	11,055	16,255
Communications/Electronics Equip	268,539	249,564	218,667
Support Vehicles	27,763	22,551	34,127
Engineer and other Equip	120,839	81,929	112,514
Spares and Repair Parts	<u>56,546</u>	<u>61,889</u>	<u>70,402</u>
Total Direct Program	1,291,840	1,075,184	782,100
Reimbursable Program	<u>10,925</u>	<u>5,000</u>	<u>5,000</u>
Total Program Requirements	1,302,765	1,080,184	787,100

Budget Activity 1: Ammunition

(In Thousands of Dollars)
FY 1991 Estimate \$284,681
FY 1990 Estimate \$249,201
FY 1989 Actual \$259,737

Purpose and Scope of Work

This activity provides for the Marine Corps' annual training needs and the acquisition of war reserve stocks for use in the event of mobilization. Munitions included in the request include tank, artillery, and mortar. Also included are requirements for small arms ammunition, pyrotechnic devices, and other ammunition items.

Justification of Funds

Congressional action on the FY 1990 budget request provided for an ammunition program of \$249.2 million, which will continue to buy towards requirements established in the Defense Guidance. The FY 1990 program funds the following: 5.56mm Ammo, \$14.2 million; 7.62mm Ammo, \$4.1 million; Linear Charges, \$2.6 million; .50 Cal Ammo, \$15.0 million; 40mm Ammo, \$22.5 million; 60mm Ammo, \$12.9 million; 81mm Ammo, \$16.3 million; 120mm Ammo, \$44.0 million; 155mm Ammo, \$48.6 million; Fuzes, \$5.3 million; 83mm Rocket (SMAW), \$28.4 million; Light Anti-Armor Weapon, \$10.6 million; Grenades, \$8.7 million; Ammo Modernization, \$11.1 million; and Items Less Than \$2.0 million, \$4.9 million.

The FY 1991 budget requests \$284.7 million to fund the following: 5.56mm Ammo, \$30.9 million; 7.62mm Ammo, \$8.3 million; Linear Charges, \$1.0 million; .50 Cal Ammo, \$19.5 million; 40mm Ammo, \$25.6 million; 60mm Ammo, \$19.4 million; 81mm Ammo, \$12.8 million; 120mm Ammo, \$60.6 million; 155mm Ammo, \$18.2 million; Fuzes, \$32.4 million; 83mm Rocket (SMAW), \$29.3 million; 9mm Ammo, \$3.8 million; Grenades, \$7.9 million; Ammo Modernization, \$11.7 million; and Items Less Than \$2 million, \$3.2 million.

Budget Activity 2: Weapons and Tracked Combat Vehicles

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 45,454
FY 1990 Estimate	\$398,995
FY 1989 Actual	\$220,283

Purpose and Scope of Work

This activity supports procurement of armored and amphibious vehicles, artillery pieces, and small arms weapons. It also supports acquisition of weapons and tracked combat vehicle associated equipment and modification kits.

Justification of Funds

Congressional action on the FY 1990 budget request provided \$399.0 million for Weapons and Tracked Combat Vehicles. The FY 1991 budget requests \$45.5 million. Each of the items contained in the FY 1990 program and FY 1991 request is summarized below:

AAV7A1 PIP - \$12.9 million was appropriated in FY 1990 and \$19.0 million is requested in FY 1991 to provide the AAV7A1 family of vehicles more reliable and serviceable components and to enhance the vehicles' operational combat survivability.

Mod Kits (Tracked Vehicles) - \$3.0 million was appropriated in FY 1990 and \$3.1 million is requested in FY 1991 for the procurement of modification kits for the product improvement of the Light Armored Vehicles.

M1A1 Tank - \$374.3 million was appropriated in FY 1990 for the procurement of 155 tanks. The purpose of this program is to replace the M60A1 tank with a more capable tank.

Items Less Than \$2 Million (Tracked Vehicles) - \$.8 million was appropriated in FY 1990 to fund the procurement of Light Armored Vehicle (LAV) M242's Engineering Change Proposals (ECPs) and M88A1 Organizational Tool Set. The FY 1991 budget request of \$.3 million funds the procurement of LAV M242's ECPs and laser filters.

Items Less Than \$2 Million (All Others) - \$2.6 million was appropriated in FY 1990 to fund the procurement of Rifle Team Equipment (\$.3), M203 40mm Grenade Launcher (\$1.2) and Explosive Ordnance Disposal Equipment (\$1.1). \$1.7 million in the FY 1991 budget will fund the procurement of Rifle Team Equipment (\$.2) and Explosive Ordnance Disposal Equipment (\$1.5).

M2 Machine Gun, .50 Cal, HB - The FY 1991 budget requests \$4.2 million to fund the procurement of 162 machine guns. These machine guns will replace maintenance losses and bring the M2 inventory back to 100%.

5.56mm Squad Automatic Weapon (SAW) - \$5.4 million in FY 1990 was appropriated for procurement of 1297 light machine guns.

MK 19 40mm Machine Gun - The FY 1991 budget requests \$17.2 million to procure 1181 machine guns. This system will substantially increase the organic fire capability of all Marine combat and combat support units.

Budget Activity 3: Guided Missiles and Equipment

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 16,255
FY 1990 Estimate	\$ 11,055
FY 1989 Actual	\$338,133

Purpose and Scope of Work

This activity supports procurement of surface-to-air guided missiles, surface-to-surface anti-tank guided missiles, and related ground support equipment. Funds requested are required to support continuing efforts to enhance the air defense and anti-tank/assault capabilities of Marine Corps ground forces. The Department of the Army is the contracting agency for the HAWK Modification Kits and TOW missiles.

Justification of Funds

Congressional action on the FY 1990 budget request provided \$11.1 million for Guided Missiles and Equipment. The FY 1991 budget requests \$16.3 million. The items contained in the FY 1990 program and FY 1991 request are summarized below:

HAWK Modifications - Congressional action on the FY 1990 budget request provided \$1.1 million to support product improvements which significantly enhance reliability, maintainability, improve countermeasure capability, and modify automatic test equipment and test program sets for the HAWK anti-aircraft missile. The FY 1991 budget requests \$5.9 million.

TOW-2 Missile System - Congressional action on the FY 1990 budget request provided \$10.0 million for 577 TOW-2B heavy assault anti-tank missiles. The FY 1991 budget request of \$10.1 million will procure 662 TOW-2B missiles.

Modification Kits - The FY 1991 budget requests \$.3 to fund installation costs for modification kits.

Budget Activity 4: Communication and Electronics Equipment

	(In Thousands of Dollars)
FY 1991 Estimate	\$218,667
FY 1990 Estimate	\$249,564
FY 1989 Actual	\$268,539

Purpose and Scope of Work

This activity supports acquisition of communications and electronic systems essential to the conduct of modern amphibious warfare and other low to mid intensity combat operations. Programs involved include tactical radios and equipment, telephone and teletype equipment, command and control systems, radars and radar equipment, intelligence/communications equipment, repair and test equipment, and modification kits.

Justification of Funds

Congressional action on the FY 1990 budget request provided \$249.6 million for the following telecommunications equipment: \$4.3 million for manpack radios and equipment; \$42.5 million for vehicle mounted radios and equipment; \$48.0 million for the Unit Level Circuit Switch; \$7.7 million for Tactical Communications Center equipment; \$3.6 million for Digital Communications Terminals; \$3.3 million for sweep generators; and \$12.4 million for test equipment, modification kits and items costing less than \$2 million.

The Fiscal Year 1990 program for non-telecommunications equipment includes the following: \$23.6 million for the Position Location Reporting System; \$54.1 million for Tactical Air Operations Modules; \$2.4 million for the Lightweight Early Warning Detection Device (LEWDD); \$9.2 million for intelligence related support equipment, modification kits and other intelligence items costing less than \$2 million; \$20.0 million for automatic data processing equipment; and \$18.6 million for test, analysis, maintenance and calibration equipment, modification kits and items costing less than \$2 million.

The Fiscal Year 1991 budget request totals \$218.7 million and includes the following telecommunications equipment: \$2.3 million for manpack radios and equipment; \$56.0 million for vehicle mounted radios and equipment; \$32.9 million for the Unit Level Circuit Switch; \$7.4 million for Tactical Communication Center (TCC) equipment; \$9.6 million for Digital Communications Terminals; \$3.3 million for sweep generators; and \$17.4 million for test equipment, modification kits and items costing less than \$2 million.

The Fiscal Year 1991 budget request for non-telecommunications equipment includes the following: \$47.4 million for Tactical Air Operations Modules; \$6.6 million for the Lightweight Early Warning Detection Device (LEWDD); \$9.3 million for intelligence related support equipment and modification kits; \$11.5 million for automatic data processing equipment; and \$14.7 million for test, analysis, maintenance and calibration equipment, modification kits and items costing less than \$2 million.

Budget Activity 5: Support Vehicles

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 34,127
FY 1990 Estimate	\$ 22,551
FY 1989 Actual	\$ 27,763

Purpose and Scope of Work

This activity supports procurement of commercial passenger and cargo vehicles required to support Marine Corps facilities' operations and tactical vehicles required by deployable operational and support forces. Included in the category of commercial passenger and cargo vehicles are: sedans, station wagons, and buses; general and special purpose heavy and light trucks; fire-fighting, refuse collection, and tanker trucks; and various types of trailers. Tactical vehicles procured under this activity consist of military designed prime movers and general purpose vehicles equipped for support of combat operations.

Justification of Funds

Congressional action on the FY 1990 request provided \$22.6 million for the following: \$3.4 million for 172 commercial passenger carrying vehicles; \$13.0 million for commercial cargo vehicles; \$2.6 million for 5-ton trucks; \$2.9 million for modification kits; and \$.7 million for items costing less than \$2 million.

The Fiscal Year 1991 budget request totals \$34.1 million and consists of the following: \$3.8 million for 194 commercial passenger carrying vehicles; \$13.1 million for commercial cargo vehicles; \$4.9 million for maintenance trucks; \$2.1 million for all types of trailers; \$9.0 million for modification kits; and \$1.2 million for items costing less than \$2 million.

Budget Activity 6: Engineering and Other Equipment

	(In Thousands of Dollars)
FY 1991 Estimate	\$112,514
FY 1990 Estimate	\$ 81,929
FY 1989 Actual	\$120,839

Purpose and Scope of Work

This activity provides for acquisition of combat and service support requirements for earth-moving construction, material handling equipment, power generating and environmental control equipment, fuel dispensing systems, special training devices, and equipment to support Marine Corps facilities.

Justification of Funds

Congressional action on the FY 1990 request provided \$81.9 million for the following programs: \$.1 million for environmental control equipment; \$1.1 million for the lightweight rough terrain crane; \$.5 million for assorted power equipment; \$4.0 million for command support equipment; \$.2 million for amphibious raid equipment; \$10.6 million for productivity investment projects; \$.3 million for physical security equipment; \$.4.5 million for garrison mobile engineer equipment; \$2.5 million for warehouse modernization equipment; \$2.4 million for material handling equipment; \$3.1 million for dry chemical fire extinguishers; \$5.0 million for training devices; \$13.8 million for the shelter family, which consists of small rigid and knockdown shelters, joining corridors, and complexing kits that provide environment protection in support of operations worldwide; \$12.2 million for the container family, which will replace locally assembled, prefabricated wooden mount out boxes and flat and box pallets; \$3.8 million for essential minor programs costing less than \$2 million; \$5.9 million to fund the installation of modernization equipment and \$8.6 million for installation of prior year equipment; and \$3.4 million for industrial/depot maintenance requirements under the Asset Capitalization Program (ACP).

The Fiscal Year 1991 budget request totals \$112.5 million for the following programs: \$3.1 million for environmental control equipment; \$2.4 million for amphibious assault fuel systems; \$3.8 million for topographic/survey equipment; \$11.1 million for assorted power equipment; \$4.0 million for command support equipment; \$.2 million for amphibious raid equipment; \$16.3 million for productivity investment projects; \$.3 million for physical security equipment; \$5.5 million for garrison mobile engineer equipment; \$3.0 million for warehouse modernization equipment; \$2.2 million for material handling equipment; \$10.9

million first destination transportation; \$3.6 million for lightweight decontamination systems; \$2.1 million for dry chemical fire extinguishers; \$3.7 million for training devices; \$15.3 million for the shelter family; \$15.5 million for the container family; \$4.2 million for essential modification kits and minor programs costing less than \$2 million; and \$5.2 million for industrial/depot maintenance requirements.

Budget Activity 7: Spares and Repair Parts

(In Thousands of Dollars)
FY 1991 Estimate \$ 70,402
FY 1990 Estimate \$ 61,889
FY 1989 Actual \$ 56,546

Purpose and Scope of Work

These funds are required for procurement of depot repairable spares and repair parts essential for the continued support of end items (replenishment spares), and for initial allowance (initial spares) of peculiar depot spares and repair parts to support new equipment/systems being introduced into the Marine Corps.

Justification of Funds

Congressional action on the FY 1990 budget request provided \$61.9 million and consists of \$26.1 million for initial spares and \$35.8 million for replenishment spares. The FY 1991 budget request totals \$70.4 million and consists of \$26.0 million for initial spares and \$44.4 million for replenishment spares. The following list is provided:

Initial Spares

(Dollars in Millions)
FY 1990 FY 1991

Weapons and Tracked Combat Vehicles
Missiles
Communication/Electronic Equipment
Support Vehicles
Engineering Equipment

\$ 10.2
0.0
14.0
.2
1.7

\$ 1.7
2.0
19.3
1.5
1.5

Subtotal

\$ 26.1 \$ 26.0

Replenishment Spares

35.8 44.4

Total

\$ 61.9 \$ 70.4

**COMPARISON OF 1989 PROGRAM REQUIREMENTS AS REFLECTED IN THE REVISED FY 1990/1991 BUDGET
WITH FY 1989 PROGRAM REQUIREMENTS AS SHOWN IN FY 1991 PRESIDENT'S BUDGET**

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per Revised FY1990/1991 Budget	Total Program Requirements Per 1991	Increase (+) or Decrease (-)
Ammunition	267,094	259,737	-7,357
Weapons and Combat Vehicles	220,296	220,283	-13
Guided Missiles and Equipment	335,749	338,133	+2,384
Communications and Electronics Equip	266,130	268,539	+2,409
Support Vehicles	22,670	27,763	+5,093
Engineer and Other Equip	123,715	120,839	-2,876
Spares and Repair Parts	56,186	56,546	+360
Total Fiscal Year Program	<u>1,291,840</u>	<u>1,291,840</u>	-

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$-7.4 million)

The net decrease reflects a below threshold reprogramming to the Logistics Vehicle System (\$5.1 million) and Telephone System (\$2.3 million) from the light anti-armor weapon (AT-4).

Weapons & Combat Vehicles

Minor repricing adjustment.

Guided Missiles and Equipment (\$2.4 million)

The net increase is related to the purchase of IFF ground support equipment for the HAWK.

Communications & Electronics Equipment (\$2.4 million)

The net increase is related to the accelerated procurement of additional tactical air operations modules components.

Support Vehicles (\$5.1 million)

The increase is related to the purchase of lifting fixtures for the logistics vehicle system.

Engineering and Other Equipment (\$-2.9 million)

The net decrease is primarily related to minor reprogramming from the container program due to a reduction in program requirements.

Spares and Repair Parts (\$.3 million)

The net increase reflects minor changes in requirements for initial spares for communications and electronics equipment.

COMPARISON OF 1990 PROGRAM REQUIREMENTS AS REFLECTED IN THE REVISED FY 1990/1991 BUDGET
WITH FY 1990 PROGRAM REQUIREMENTS AS SHOWN IN FY 1991 PRESIDENT'S BUDGET

(SUMMARY OF REQUIREMENTS (In Thousands of Dollars))

	Total Program Requirements Per The Revised FY1990/1991 Budget	Total Program Requirements Per 1991 Budget	Increase (+) or Decrease (-)
Ammunition	222,401	249,201	+26,800
Weapons and Combat Vehicles	543,224	398,995	-144,224
Guided Missiles and Equipment	11,055	11,055	-
Communications and Electronics Equip	271,001	249,564	-21,437
Support Vehicles	23,202	22,551	-651
Engineer and Other Equipment	64,079	81,929	+17,850
Spares and Repair Parts	61,838	61,889	+51
Total Fiscal Year Program	1,196,800	1,075,184	-121,616

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$+2.6 million)

The change to the ammunition account reflects a general Congressional increase of \$25 million applied to nine items and other minor reprogramming of \$1.8 million.

Weapons and Combat Vehicles (\$-144.2 million)

Congressional action on the FY 1990 budget request resulted in reductions of \$15 million to the M1A1 tank current year program, a \$9 million reduction to M1A1 for advance procurement due to contract savings, and \$1.9 million for the cancellation of the MK-19 machine gun due to production problems. Also, due to cancellation of the FY 1991 Marine Corps M1A1 program, related advance procurement funds of \$111.3 million is to be transferred to other appropriations to finance other FY 1991 DoD requirements and \$7 million from the M1A1 will be utilized to finance a planned DD-1415 reprogramming action for communications and electronics equipment.

Guided Missiles and Equipment

Minor repricing adjustment.

Communications and Electronics Equipment (\$-21.4 million)

The net decrease is primarily due to a decision to terminate Marine Corps procurement of the position location and reporting system. The last procurement was in FY 1990.

Support Vehicles (\$-.6 million)

The decrease is related to the cancellation of trailers for \$2.1 million offset by a below threshold reprogramming of \$1.5 million into commercial vehicles.

Engineering and Other Equipment (\$+17.8 million)

The increase is due to Congressional adjustments for modernization of equipment \$5.9 million, installation of modernization equipment \$8.5 million and industrial/depot maintenance equipment \$3.4 million.

Spares and Repair Parts (\$+.1 million)

The net increase is for minor adjustments for replenishment spares.

COMPARISON OF 1989 FINANCING AS REFLECTED IN REVISED FY 1990/1991 BUDGET
WITH FY 1989 FINANCING AS SHOWN IN FY 1991 PRESIDENT'S BUDGET

(In Thousands of Dollars)

	Financing Revised FY90/91 Budget	Financing Per FY 1991 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,296,340	1,302,765	+6,425
Program Requirements (Service account)	1,291,840	1,291,840	-
Program Requirements (Reimbursable)	4,500	10,925	+6,425
Less:			
Anticipated Reimbursements	4,500	10,925	+6,425
Appropriation			
Reduction pursuant to P.L. 100-463	1,297,265	1,297,265	-
Transferred to other accounts(-)	-425	-425	-
	-5,000	-5,000	-
Appropriation (Adjusted)	1,291,840	1,291,840	-

Explanation of Changes in Financing

The FY 1989 program has changed since the presentation of the FY 1990 budget as noted below:

1. Program Requirement. There has been an increase of..... \$+6,425
Service Account..... \$ -
Reimbursable..... \$+6,425

2. The program requirements change reflects a revised estimate of anticipated reimbursable collections.

COMPARISON OF 1990 FINANCING AS REFLECTED IN THE REVISED 1990/1991 BUDGET
WITH FY 1990 FINANCING AS SHOWN IN FY 1991 PRESIDENTS'S BUDGET

(In Thousands of Dollars)

	Financing Per Revised FY90/91 Budget	Financing Per FY 1991 Budget	Increase (+) or Decrease (-)
Program Requirement (Total)	1,201,800	1,080,184	-121,616
Program Requirement (Service Account)	1,196,800	1,075,184	-121,616
Program Requirement (Reimbursable)	5,000	5,000	-
<u>Less:</u>			
Anticipated reimbursements	5,000	5,000	-
Appropriation	<u>1,196,800</u>	<u>1,213,792</u>	<u>+16,992</u>
Reduction pursuant to P.L. 101-165	-	-458	-458
Transferred to other accounts	-	-138,150	-138,150
Appropriation adjusted	<u>1,196,800</u>	<u>1,075,184</u>	<u>-121,616</u>

Explanation of Changes in Financing

The FY 1990 program has changed since the presentation of the FY 1990 budget as noted below:

1. Program requirements. There has been an increase of \$16,992 which reflects the approved appropriation rather than the amount requested for the Service Account offset by planned transfers of \$-138,150, from M1-A1 tank advance procurement (\$-111,300) and from the Position Location Reporting System (PLRS) (\$-26,850), to other appropriations, and decreases associated with contractor travel (\$-303) and consultant services (\$-155).